

“(B) allow the authorized entity to adopt any of those horses that the Secretary removes from the seashore.

“(3) The Secretary shall not remove, assist in, or permit the removal of any free roaming horses from Federal lands within the boundaries of the seashore—

“(A) unless the entity with whom the Secretary has entered into the agreement under paragraph (2), following notice and a 90-day response period, fails to meet the terms and conditions of the agreement; or

“(B) unless the number of free roaming horses on Federal lands within Cape Lookout National Seashore exceeds 110; or

“(C) except in the case of an emergency, or to protect public health and safety.

“(4) The Secretary shall annually monitor, assess, and make available to the public findings regarding the population, structure, and health of the free roaming horses in the national seashore.

“(5) Nothing in this subsection shall be construed to require the Secretary to replace horses or otherwise increase the number of horses within the boundaries of the seashore where the herd numbers fall below 100 as a result of natural causes, including, but not limited to, disease or natural disasters.

“(6) Nothing in this subsection shall be construed as creating liability for the United States for any damages caused by the free roaming horses to property located inside or outside the boundaries of the seashore.”.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Tuesday, July 21, 1998, at 9:30 a.m., to receive testimony on nominations to the Federal Election Commission.

For further information concerning this hearing, please contact Bruce Kasold of the Committee staff on 224-3448.

The nominees presenting testimony will be:

Scott E. Thomas, of the District of Columbia, to be a member of the Federal Election Commission for a term expiring April 30, 2003 (reappointment).

David M. Mason, of Virginia, to be a member of the Federal Election Commission for a term expiring April 30, 2003, vice Trevor Alexander McClurg Potter, resigned.

Darryl R. Wold, of California, to be a member of the Federal Election Commission for a term expiring April 30, 2001, vice Joan D. Aikens, term expired.

Karl J. Sandstrom, of Washington, to be a member of the Federal Election Commission for a term expiring April 30, 2001, vice John Warren McGarry, term expired.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS

Mr. BENNETT. Mr. President, I ask unanimous consent that the Sub-

committees on Financial Institutions and Regulatory Relief, and Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Friday, July 17, 1998, to conduct a joint hearing to review a report on the Real Estate Settlements Procedure Act and The Truth in Lending Act (RESPA/TILA) from the Department of Housing and Urban Development and the Federal Reserve.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HOMEOWNERS PROTECTION ACT OF 1998

• Mr. D'AMATO. Mr. President, I rise today to commend my colleagues in the Senate and the House for passing the Senate/House agreement on S. 318, the Homeowners Protection Act of 1998. This legislation, which I introduced last year, will put an end to forced payments by thousands of middle-class homeowners for unnecessary private mortgage insurance. These unnecessary premiums—which in some cases amount to over \$1,000 per year—benefitted no one, other than the PMI companies that raked-in risk-free money. This legislation will make it thousands of dollars cheaper for struggling middle-class home buyers—as well as co-op and condominium buyers—to share in the American dream of home ownership without limiting this opportunity for people who do need PMI coverage.

Mr. President, the House passed this legislation late last night, so this bill will be sent to the White House for the President's signature. Today, requiring unnecessary PMI is unethical—when the President signs S. 318 into law, this fleecing of homeowners will become illegal.

Mr. President, let me begin by acknowledging the important and beneficial role PMI plays in our mortgage markets. Traditionally, lenders have required 20% down for home mortgage loans. PMI was developed to allow home buyers purchase with less than 20% down. PMI is typically required when a home buyer cannot make the standard 20% down payment. In many areas, such as my home region of Long Island, housing prices are so high that many middle class home buyers, particularly first-time buyers, can't come up with a 20% down payment. The problem faced by these home buyers arises because while PMI benefits one party, the lender, it is paid for by the home owner. As a result, the lenders and servicers have no vested interest in

pursuing cancellation, and the homeowner who was paying for the PMI could not, or did not know, that the coverage could be canceled.

By passing this legislation, Congress is helping to make the American dream of home ownership more affordable for many home buyers—particularly struggling working families and people in areas with high housing costs—who needed PMI because they don't have a lot of cash on hand for a down payment.

Some industry proponents have questioned whether this is a problem. Mr. President, the numbers speak for themselves. Every year, approximately 1 million mortgage loans are made with PMI coverage.

In hearings in front of the Senate Banking Committee, even the private mortgage insurance industry was forced to admit that at least 250,000 homeowners have at least 20% equity in their homes and are still paying for unnecessary insurance. PMI premiums vary from \$20 to \$100 or more monthly. This means that working families are losing anywhere from \$240 to \$1200 or more per year in unnecessary payments. At \$100 per month, the savings for 250,000 homeowners would be \$300 million yearly.

And these are just low-ball estimates of the extent of this problem—a 1997 analysis of a 20,000 loan portfolio indicated that 1 out of 5 homeowners were still paying for PMI, despite the fact that they had accumulated equity in excess of 20 percent.

S. 318 will remedy this market anomaly by requiring automatic cancellation of PMI once a homeowner has accumulated 22% home equity if homeowner is current on payments. In addition, homeowners with good payment histories can initiate cancellation at 20% equity. This bill will prohibit life-of-the-loan PMI coverage by requiring that coverage be canceled half-way through the loan, regardless of circumstances.

S. 318 also provides that current and future homeowners be given notice of their cancellation rights on an annual basis. S. 318 will accomplish these goals without adding to the regulatory bureaucracy. This legislation is self-effecting and does not have a federal regulator.

In closing, I would like to thank my colleagues in the Senate that have worked tirelessly on this legislation—Senator LAUCH FAIRCLOTH, Senator ROD GRAMS, Senator PAUL SARBANES, Senator RICHARD BRYAN, Senator CHRISTOPHER DODD, Senator CAROL MOSELEY-BRAUN and all cosponsors of the bill.